



**TESTIMONY OF
BRISTOL HOSPITAL AND HEALTH CARE GROUP SUBMITTED TO THE
HUMAN SERVICES COMMITTEE
Tuesday, March 8, 2016**

**HB 5588, An Act Concerning The Timing of Payments From Supplemental
Inpatient Payment Pools For Short-Term General Hospitals**

My name is George Eighmy and I am the vice president of finance and chief financial officer for Bristol Hospital and Health Care Group. Thank you Chairwoman Moore, and Chairwoman Abercrombie, and the entire Human Services Committee for allowing me to testify today on House Bill 5588, An Act Concerning The Timing of Payments From Supplemental Inpatient Payment Pools For Short-Term General Hospitals.

On March 2, all Connecticut hospitals received notice that Secretary of the Office of Policy and Management Benjamin Barnes ordered the Department of Social Services to "hold on making any additional supplemental payments through either the inpatient supplemental pool or the small hospital pool." In addition, Secretary Barnes stated that he was "not optimistic that we will be able to move forward with any further state payments this fiscal year."

HB 5588 would require that DSS make timely and adequate payments to hospitals from supplemental inpatient payment pools and require that the money in the payment pools not be used for any other purpose.

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Bristol Hospital serves almost 5000 inpatients and more than 219,000 outpatient visits each year. We employ approximately 1600 people, including 225 members of our medical staff. Beyond the lifesaving care we provide 24 hours a day, we contribute more than \$282 million to our local and state economies each year.

Bristol Hospital provides core health care services to our community 24 hours a day, regardless of ability to pay. We offer safe, accessible, equitable, affordable, patient-centered care that protects and improves peoples' lives.

In 2015, Bristol Hospital absorbed a \$2.2 million cut in state supplemental payments. During the current state fiscal year 2016, the cut will be \$3.3 million. The total combined annual reductions are \$5.5 million. That is 5 percent of our overall operating budget. Within that time frame we reduced staffing from 903 full time equivalents to 844 full time equivalents. That was 59 full time positions cut. Those were painful cuts, cuts to the bone with no stone left unturned and nothing left to cut. Should the supplemental payments due Bristol Hospital, not be made, it will realize another cut of \$5 million. That would be additional to the already planned cuts of \$5.5 million. We cannot absorb a \$10.5 million cut.

According to the 2014 OHCA data, Bristol Hospital was the second lowest cost hospital in the state. It had a cost per equivalent admission of \$5,889. The state wide average was \$8,841. If cuts from the State continue, then our only other logical option would be to attempt to negotiate higher rates from our commercial payers. As a small community hospital, we do not have the leverage to demand and achieve higher rates from commercial payers. This inability to cost shift is evidenced by our relatively low private payment to cost ratio. The 2014 OHCA data has Bristol's ratio at 1.41, which is 6 percent below the State average of 1.49. We are out of options.

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Additionally, the decision announced last week by Secretary Barnes, puts a significant investment being planned by Bristol Hospital into serious jeopardy. Bristol Hospital has been in the planning stages of purchasing a piece of property in downtown Bristol for construction of a new medical office building.

This complex would not only house many of our primary care and specialty physicians under one roof, but it would also help jumpstart economic development in this neglected section of what was once a vibrant downtown Bristol. As part of our most recent community health needs assessment, the Bristol community identified access to care as one of their primary concerns. This downtown project is a key component in addressing the needs of our community as we continue to fulfill our mission to the residents of Greater Bristol.

We know the state is facing a challenging budget, but we have already been cut and taxed so significantly that it is hurting patient care, access, jobs, and our economy. We desperately need a stable and predictable reimbursement program. One which pays at levels which allows healthcare providers to survive. This bill takes a first step toward our goal.

Please support HB 5588. Thank you for your consideration of our position.

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